

**STOCK PURCHASE AGREEMENT**

**AMONG**

**CABLE & WIRELESS INTERNET HOLDINGS, INC.,**

**CABLE AND WIRELESS PLC,**

**WORLDCOM, INC.**

**AND**

**MCI TELECOMMUNICATIONS CORPORATION**

**September 3, 1998**

*ml c.h.*

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## STOCK PURCHASE AGREEMENT

This STOCK PURCHASE AGREEMENT ("Agreement") dated as of September 3, 1998, is made and entered into by and among Cable & Wireless Internet Holdings, Inc., a Delaware corporation ("Purchaser"), Cable and Wireless plc, a company organized under the laws of England & Wales ("C&W"), WorldCom, Inc., a Georgia corporation ("WorldCom"), and MCI Telecommunications Corporation, a Delaware corporation ("MCI").

### RECITALS

WHEREAS, MCI, in order to expedite regulatory approval of the proposed merger of its parent, MCI Communications Corporation ("MCIC"), with WorldCom, has determined to sell its iMCI Business;

WHEREAS, Purchaser is an indirect, wholly owned subsidiary of C&W;

WHEREAS, MCI desires to sell, and Purchaser desires to purchase from MCI, upon the terms and conditions set forth in this Agreement, the iMCI Business;

WHEREAS, it is the intent of the parties that, by acquiring the iMCI Business, Purchaser will acquire a business with assets and support services reasonably necessary to create a viable Internet business;

WHEREAS, immediately prior to the Closing Date, MCI will contribute the assets and operations of the iMCI Business to a Delaware limited liability company formed and organized by MCI ("INetCo") in exchange for the assumption by INetCo of certain liabilities as set forth herein;

WHEREAS, the purchase and sale of the iMCI Business shall be consummated through the sale and purchase of all of the issued and outstanding membership interests in INetCo (the "Shares"); and

WHEREAS, on the date hereof MCI and INetCo will enter into the Services Agreements, the Wholesale Internet Service Agreement, the Administrative Space Agreement and the Software License Agreement, in each case effective as of the Effective Time;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

### ARTICLE 1 – DEFINITIONS; INTERPRETIVE RULES

1.1 Definitions. For purposes of this Agreement, the following defined terms have the meanings indicated below:

(A) "Acceptance Date" means July 15, 1998, the date of acceptance by MCI and WorldCom of Purchaser's offer dated July 1, 1998.

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(B) "Acknowledgment" has the meaning assigned to such term in Section 11.3(A)(1).

(C) "Actions or Proceedings" means any action, suit, formal charge, proceeding, arbitration or Governmental or Regulatory Authority investigation.

(D) "Administrative Space Agreement" means that certain agreement between MCI and INetCo, in the form attached hereto as Exhibit 1.1(D), pursuant to which INetCo, among other things, may collocate Transferred Employees and certain assets of the iMCI Business at existing MCI facilities.

(E) "Affiliate" means, with respect to any Person, any other Person which controls, is controlled by, or is under common control with the first Person. For purposes hereof, the term "control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of any Person whether through the ownership of voting securities, by contract, or otherwise.

(F) "Agreement" means this Agreement and the Schedules and Exhibits hereto as the same may be amended or supplemented from time to time.

(G) "Allocation" has the meaning assigned to such term in Section 8.1.

(H) "Allocation Agreement" has the meaning assigned to such term in Section 8.1.

(I) "Ancillary Agreements" has the meaning assigned to such term in Section 8.7.

(J) "Apportioned Obligations" means all property, ad valorem or similar Taxes, prepaid utility charges, prepaid rentals, other prepaid expenses and other prepayments, and arrearage payments with respect to the iMCI Business and its assets for assessment periods within which the Effective Time occurs, but shall not include any such obligations that are specifically apportioned in any Ancillary Agreement.

(K) "Assigned Contracts" has the meaning assigned to such term in Section 4.18(A).

(L) "Assumed Liabilities" has the meaning assigned to such term in Section 2.5(A).

(M) "AT&T" has the meaning assigned to such term in Section 7.2(B).

(N) "Base Revenue" has the meaning assigned to such term in Section 2.8(C)(2).

(O) "Beneficiaries" has the meaning assigned to such term in Section 2.6(E).



- (P) "Break-up Fee" has the meaning assigned to such term in Section 10.2(F).
- (Q) "Business Day" means a day other than Saturday, Sunday or any day on which banks located in New York, New York or London, England are not open for business.
- (R) "Cisco" has the meaning assigned to such term in Section 2.2(A).
- (S) "Claim Notice" means written notification pursuant to Section 11.3 of a Third Party Claim as to which indemnity under Section 11.2 is sought by an Indemnified Party, enclosing a copy of all papers served, if any, and specifying the nature of and basis for such Third Party Claim and for the Indemnified Party's claim against the Indemnifying Party under Section 11.2, together with the amount or, if not then reasonably ascertainable, the estimated amount, determined in good faith, of such Third Party Claim.
- (T) "Closing" has the meaning set forth in Section 2.12.
- (U) "Closing Date" means the date on which the Closing actually takes place.
- (V) "Closing Statement" has the meaning assigned to such term in Section 2.11(B).
- (W) "Collocation Agreement" means the collocation provisions of the Master Agreement, pursuant to which MCI will, among other things, provide INetCo space, HVAC, power and first level maintenance for certain of the Transferred Assets.
- (X) "Confidentiality Agreements" means that certain Confidentiality Agreement, dated April 27, 1998, by and between MCI and Purchaser and that certain Confidentiality Agreement, dated May 12, 1998, by and between WorldCom and Purchaser.
- (Y) "Contract" means any binding agreement, including customer agreements or goodwill associated therewith, lease, license (other than Licenses), evidence of indebtedness, mortgage, deed of trust, indenture, security agreement or other contract.
- (Z) "Cut-Off Date" means, with respect to any representation or warranty contained in this Agreement, the date on which such representation or warranty ceases to survive as provided in Section 11.1.
- (AA) "Dedicated Internet Access" has the meaning assigned to such term in Section 2.2 (B).
- (BB) "Designated Appraiser" has the meaning assigned to such term in Section 8.1.

(CC) "Designated Employees" are the Employees other than those Employees whose names are set forth in Schedule 1.1(CC) (listing the names of Employees who are not to be transferred by MCI to INetCo at or before the Effective Time).

(DD) "DoJ" means the United States Department of Justice.

(EE) "Dispute Period" means the period ending thirty (30) days following receipt by an Indemnifying Party of either a Claim Notice or an Indemnity Notice.

(FF) "EC" means the European Commission.

(GG) "Effective Time" shall mean 12:01 a.m. Eastern Time on the Closing Date.

(HH) "Employees" has the meaning assigned to such term in Section 4.12(A).

(II) "Environmental Law" means any Law relating to human health, safety or protection of the environment or to emissions, discharges, releases or threatened releases of pollutants, contaminants or hazardous substances in the environment (including ambient air, surface water, ground water, land surface or subsurface strata), or otherwise relating to the treatment, storage, disposal, transport or handling of any hazardous substance.

(JJ) "Equipment Leases" has the meaning assigned to such term in Section 2.2(N).

(KK) "Federal Funds Rate" shall mean a rate per annum equal to the "near closing bid" federal funds rate published in the Wall Street Journal on the first Business Day following the Closing Date.

(LL) "FCC" means the Federal Communications Commission.

(MM) "Fulfillment Contracts" has the meaning assigned to such term in Section 2.2(I).

(NN) "GAAP" means U.S. generally accepted accounting principles, consistently applied.

(OO) "Government Contracts" means Internet Contracts for the provision of Internet Services to the United States Government.

(PP) "Governmental or Regulatory Authority" means any government, regulatory authority, department, court, tribunal, arbitrator, authority, agency, commission, official or other instrumentality of the United States or any foreign jurisdiction, or any municipality, district, state or other subdivision thereof.

(QQ) "GTE" has the meaning assigned to such term in Section 7.2(A).

(RR) "HSR Act" means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, or any successor Law.

(SS) "IDC" has the meaning assigned to such term in Section 2.2(B).

(TT) "iMCI Business" means MCI's business of providing Internet Services and Real Broadcast Network Services, which is being transferred by the transfer of the Internet Backbone, Internet Permits, Internet Contracts, the Real Broadcast Network Contract, Fulfillment Contracts and other Transferred Assets.

(UU) "Indemnified Party" means any Person claiming indemnification under any provision of Article 11.

(VV) "Indemnifying Party" means any Person against whom a claim for indemnification is being asserted under any provision of Article 11.

(WW) "Indemnity Notice" means written notification pursuant to Section 11.3(B) of a claim for indemnity under Article 11 by an Indemnified Party, specifying the nature of and basis for such claim, together with the amount or, if not then reasonably ascertainable, the estimated amount, determined in good faith, of such claim.

(XX) "Independent Accounting Firm" shall have the meaning assigned to such term in Section 2.11(C).

(YY) "INetCo" has the meaning set forth in the Recitals to this Agreement.

(ZZ) "INetCo Divestiture Overview" means the document of that title, and the presentations referenced therein, relating to the operation of the iMCI Business delivered to Purchaser on June 27, 1998, as modified by the "Project Jazz- Confidential Discussion Draft, 6/28/98-3:20 pm".

(AAA) "Integrated Contract" shall mean any Contract between MCI and any customer in effect at the Transfer Time to provide an Internet Service and at least one other non-Internet Service service or product.

(BBB) "Integrated Maintenance Agreement" shall mean any maintenance agreement or manufacturer's warranty in effect at the Transfer Time which relates to any Internet Backbone asset and at least one other asset which is not a part of the Internet Backbone.

(CCC) "Internet Backbone" has the meaning assigned to such term in Section 2.2(A).

(DDD) "Internet Contracts" has the meaning assigned to such term in Section 2.2(B).

(EEE) "Internet Customers" means all of MCI's customers of the iMCI Business at the Effective Time, excluding only the Beneficiaries and customers that are majority-owned subsidiaries of MCI; a list of Internet Customers (other than those who are Internet Dial-up customers) as of the date indicated thereon is set forth on Schedule 2.2(C), which schedule may be supplemented from time to time as provided herein; a list of Internet Dial-up customers as of the date indicated thereon, including e-mail addresses for such customers, has been provided to Purchaser in an electronic form acceptable to Purchaser on the date hereof, which list shall be deemed to be part of Schedule 2.2(C) for purposes hereof.

(FFF) "Internet Dial-up" has the meaning assigned to such term in Section 2.2(B).

(GGG) "Internet Dial-up Contracts" has the meaning assigned to such term in Section 2.2(B).

(HHH) "Internet Firewall Services" has the meaning assigned to such term in Section 2.2(B).

(III) "Internet Permits" shall have the meaning assigned to such term in Section 2.2(D).

(JJJ) "Internet Protocol Addresses" has the meaning assigned to such term in Section 2.2(E).

(KKK) "Internet Services" means, collectively, Internet connectivity, both Dedicated Internet Access and Internet Dial-up, Internet Web-hosting and Internet Firewall Services.

(LLL) "Internet Web-hosting" has the meaning assigned to such term in Section 2.2(B).

(MMM) "ISPs" has the meaning assigned to such term in Section 2.2(B).

(NNN) "Laws" means all laws, statutes, rules, regulations or ordinances having the effect of law in the United States or any foreign jurisdiction or in any city, state, or other political subdivision thereof or adopted or promulgated by any Governmental or Regulatory Authority.

(OOO) "Letter Agreement" means the letter agreement entered into among C&W, MCI and WorldCom, effective July 15, 1998.

(PPP) "Licenses" means all licenses, permits, certificates of authority, authorizations, approvals, registrations or franchises granted or issued by any Governmental or Regulatory Authority.

(QQQ) "Lien" means any mortgage, pledge, assessment, security interest, lease, lien (whether statutory or otherwise), adverse claim, security interest of any kind, levy, charge, exception, reservation, easement, right of occupation, any matter capable of registration against title, option, right of preemption or other encumbrance of any kind, whether imposed by agreement, understanding, Law or equity, or any conditional sale contract, title retention contract or other contract to give or to refrain from giving any of the foregoing.

(RRR) "Loss" or "Losses" means the full amount of any sum which a party pays on account of any and all liabilities, claims, judgments, causes of action, damages, deficiencies, interest, penalties, fines, losses and reasonable costs and expenses, including but not limited to, attorneys fees and accounting fees and related disbursements. Except as otherwise provided in Sections 11.2(G) and 11.2(H), for purposes of determining the amount of Loss and whether or not a Loss or Losses individually or in the aggregate exceed the limitation amounts set forth in Section 11.2 hereof, Losses shall be determined before giving effect to any federal, state, foreign or local Tax benefit obtained or received by the Person incurring the Loss, and before giving effect to any other third party reimbursements or other payments received with respect to any such Loss, including insurance proceeds.

(SSS) "Maintenance Agreements" has the meaning assigned to such term in Section 2.2(F).

(TTT) "Master Agreement" means that certain agreement between MCI and INetCo, in the form attached hereto as Exhibit 1.1(TTT), for, among other things, the provision of private network services, collocation, local transport and other services to INetCo.

(UUU) "MCI" has the meaning set forth in the first paragraph of this Agreement.

(VVV) "MCI List" has the meaning assigned to such term in Section 8.13(E).

(WWW) "MCI WorldCom" has the meaning assigned to such term in Section 7.2(A).

(XXX) "MCIC" has the meaning set forth in the Recitals to this Agreement.

(YYY) "Network Transport Agreement" means the network transport provisions of the Master Agreement, pursuant to which INetCo, among other things, shall acquire from MCI network transport capacity on MCI's telecommunications network for its use in providing the Internet Services.

(ZZZ) "Nonassigned Contracts" has the meaning assigned to such term in Section 2.8(C)(1).

(AAAA) "Order" means any writ, judgment, decree or injunction of any Governmental or Regulatory Authority (in each such case whether preliminary or final).

(BBBB) "Organizational Documents" with respect to any Person means (i) the articles or certificate of incorporation and the bylaws of a corporation; (ii) the partnership agreement and any statement of partnership of a general partnership; (iii) the limited partnership agreement and the certificate of limited partnership of a limited partnership; (iv) the articles or certificate of formation of a limited liability company and management agreement, if any; (v) any articles of association, joint venture or other agreements or any charter or similar document adopted or filed in connection with the creation, formation, or organization of an entity; and (vi) any amendment to any of the foregoing.

(CCCC) "Peering Arrangements" has the meaning assigned to such term in Section 2.2(H).

(DDDD) "Person" means any individual, corporation (including any non-profit corporation), general or limited partnership, limited liability company, joint venture, estate, trust, association, organization, labor union, or other entity or Governmental or Regulatory Authority.

(EEEE) "Post-Closing Adjustment" has the meaning assigned to such term in Section 2.11(A).

(FFFF) "Preliminary WorldCom Overlap List" has the meaning assigned to such term in Section 8.13(E).

(GGGG) "Prohibited Transaction" has the meaning assigned to such term in Section 7.2.

(HHHH) "Projected Amount" has the meaning assigned to such term in Section 2.11(A).

(IIII) "Proration Amount" has the meaning assigned to such term in Section 8.3.

(JJJJ) "Purchase Price" has the meaning assigned to such term in Section 2.10.

(KKKK) "Purchaser" has the meaning set forth in the first paragraph of this Agreement.

(LLLL) "Real Broadcast Network Contract" means that certain agreement between MCI and Real Networks, Inc. dated June 22, 1997, for the testing and provision of audio and video content over the Internet Backbone, which agreement has expired by its terms but the parties are continuing to do business with each other.

(MMMM) "Real Broadcast Network Services" means those services provided under the Real Broadcast Network Contract.

(NNNN) "RBOC" has the meaning assigned to such term in Section 7.2(B).

(OOOO) "Representatives" means, with respect to any Person, the officers, employees, counsel, accountants, financial advisors, consultants and other representatives of such Person.

(PPPP) "Resolution Period" means the period ending thirty (30) days following receipt by an Indemnified Party of a written notice from an Indemnifying Party stating that it disputes all or any portion of a claim set forth in a Claim Notice or an Indemnity Notice.

(QQQQ) "Retail Dedicated Internet Access" has the meaning assigned to such term in Section 2.2(B).

(RRRR) "Sacramento Contracts" has the meaning assigned to such term in Section 2.2(L).

(SSSS) "Sales Employees" refers to those Transferred Employees who, immediately prior to the Transfer Time, were compensated by MCI or its Affiliates for sales of Internet Services in whole or in part on a commission basis.

(TTTT) "Securities Act" means the Securities Act of 1933, as amended.

(UUUU) "Services Agreements" means the Network Transport Agreement, the Collocation Agreement, the Support Contracts and the Master Agreement.

(VVVV) "Shares" has the meaning set forth in the Recitals to this Agreement.

(WWWW) "Software License Agreement" means that certain Software License Agreement between MCI and INetCo, in the form attached hereto as Exhibit 1.1(WWWW), pursuant to which MCI, among other things, will provide a license to utilize certain MCI-owned software systems necessary for the operation of the iMCI Business, and the related source code.

(XXXX) "Software Licenses" has the meaning assigned to such term in Section 2.2(G).

(YYYY) "Sprint" has the meaning assigned to such term in Section 7.2(A).

(ZZZZ) "Subsidiary" has the meaning assigned to such term in Section 12.4(A).

(AAAAA) "Support Contracts" means those agreements entered into between MCI and INetCo, from time to time at Purchaser's option, to facilitate INetCo's transition

to its own systems and processes, pursuant to which MCI, among other things, will provide reasonable access to systems required for INetCo to perform customer service support, order entry, order provisioning, billing support and network management and such other services as agreed by both parties that may be reasonably required to operate the iMCI Business.

(BBBBB) "Tax" means all forms of tax, levy, duty, charge or withholding imposed, collected or administered by any Tax Authority and shall include (without limitation) income tax (including income tax or amounts on account of income tax required to be deducted or withheld from or accounted for in respect of any payment), sales tax, goods and services tax, large corporations tax, tax on capital, unemployment insurance premiums, workmens' compensation and other employment related taxes, duties of customs and excise, all taxes, duties or charges replaced by or replacing, or similar to any of the foregoing, and all other taxes on gross or net income, profits or gains, distributions, receipts, sales, use, occupation, value added and property, together with all penalties, fines, charges and interest relating to any of the foregoing or to any late or incorrect return in respect of any of them.

(CCCCC) "Tax Authority" means any Governmental or Regulatory Authority (whether within or outside the jurisdiction of incorporation or residence of Purchaser) concerned with the imposition, collection or administration of any Tax.

(DDDDD) "Tax Return" means any return, report, information return, declaration, statement, or other document (including any supporting information) filed or required to be filed with any Tax Authority in connection with the determination, assessment, or collection of any Tax (whether or not such Tax is imposed on MCI or Purchaser) or the administration of any Law or administrative requirement relating to any Tax.

(EEEEEE) "Term Sheet" means that certain term sheet, dated July 1, 1998, incorporated in the Letter Agreement.

(FFFFF) "Third Party" has the meaning assigned to such term in Section 8.13(E).

(GGGGG) "Third Party Claim" has the meaning assigned to such term in Section 11.3(A).

(HHHHH) "Transfer Time" means 11:59 p.m. Eastern Time on the day before the Closing Date.

(IIIII) "Transfer Taxes" means all sales, use, consumption, goods and services, real property transfer, reporting, recording, stock transfer, customs, value added, and other similar taxes and fees imposed by a Governmental or Regulatory Authority other than franchise taxes and taxes based on net income.



(JJJJ) "Transferred Amount" has the meaning assigned to such term in Section 2.11(A).

(KKKKK) "Transferred Assets" has the meaning assigned to such term in Section 2.2.

(LLLLL) "Transferred Employees" are those Designated Employees who are employees of INetCo at the Effective Time.

(MMMMM) "Wholesale Internet Service Agreement" means that certain agreement between MCI and INetCo, in the form attached hereto as Exhibit 1.1(MMMMM), pursuant to which MCI may utilize INetCo's wholesale Internet Services.

(NNNNN) "WorldCom" has the meaning set forth in the first paragraph of this Agreement.

(OOOOO) "WorldCom List" has the meaning assigned to such term in Section 8.13(E).

(PPPPP) "WorldCom Overlap List" has the meaning assigned to that term in Section 8.13(E).

1.2 Construction of Certain Terms and Phrases. Unless the context of this Agreement otherwise requires, (i) words of any gender include each other gender; (ii) words using the singular or plural number also include the plural or singular number, respectively; (iii) the terms "hereof," "herein," "hereby" and derivative or similar words refer to this entire Agreement; (iv) the terms "Article," "Section," "Exhibit," "Schedule" or "Annex" refer to the specified Article or Section of or Exhibit, Schedule or Annex to this Agreement; (v) the words "include", "includes" and "including" shall be deemed to be followed by the phrase "without limitation"; (vi) all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time; (vii) the phrase "ordinary course of business" refers to the ordinary course of conduct of the iMCI Business consistent with past practice or with respect to WorldCom, the ordinary course of business of WorldCom; and (viii) all references to monetary amounts shall be to United States Dollars. Whenever this Agreement refers to a number of days, such number shall refer to calendar days unless Business Days are specified.

1.3 Schedules; Representations and Warranties. The following Schedules are attached to and form part of this Agreement. Disclosure on any particular schedule which is an exception to a representation or warranty herein (or disclosure in any representation or warranty contained in this Agreement) shall be deemed to be disclosure for purposes of any other such schedule, representation or warranty:

Schedule 1.1(CC) - Non-Designated Employees  
Schedule 2.2(A)(i) - Internet Backbone Equipment  
Schedule 2.2(A)(iv) - Cisco Equipment

Schedule 2.2(B)(i)(x) - ISP Customers  
 Schedule 2.2(B)(i)(y) - Retail Customers  
 Schedule 2.2(B)(iii) - Internet Web-hosting Contracts  
 Schedule 2.2(B)(iv) - Internet Firewall Services Contracts  
 Schedule 2.2(B)(v) - Integrated Contracts  
 Schedule 2.2(C) - Internet Customers  
 Schedule 2.2(D) - Internet Permits  
 Schedule 2.2(F)(i) - Maintenance Agreements  
 Schedule 2.2(F)(ii) - Integrated Maintenance Agreements  
 Schedule 2.2(H) - Peering Arrangements  
 Schedule 2.2(I) - Fulfillment Contracts  
 Schedule 2.2(J) - Administrative Assets  
 Schedule 2.2(K) - Call Center Assets  
 Schedule 2.2(L) - Sacramento Contracts  
 Schedule 2.2(P) - Additional Assets  
 Schedule 2.5(A)(iii) - Equipment Leases  
 Schedule 2.5(A)(iv) - Sales Commissions  
 Schedule 2.8(B) Contracts Requiring Consent  
 Schedule 2.11(A) - Projected Amount  
 Schedule 4.7 - Customer Consents  
 Schedule 4.12 - Employees  
 Schedule 4.13 - MCI Legal Proceedings  
 Schedule 4.18(C) - Internet Contracts  
 Schedule 4.20 - Projected Growth  
 Schedule 5.4 - Consents and Approvals of C&W and Purchaser  
 Schedule 8.13(E) - Confidentiality Procedures

## **ARTICLE 2 – ORGANIZATION OF INETCO; CONTRIBUTION OF ASSETS; SALE AND TRANSFER OF SHARES; CLOSING**

2.1 Organization of INetCo. No later than the date hereof, MCI shall have caused INetCo to be duly organized as a limited liability company under the Laws of the State of Delaware by causing a certificate of formation to be filed in the Office of the Secretary of State of the State of Delaware and by taking all such other actions that are necessary for INetCo to commence business. The Certificate of Formation of INetCo and the Limited Liability Company Agreement of INetCo shall be in the form of Annexes 2.1.A and 2.1.B hereto, respectively. Until the Effective Time, INetCo shall be a wholly-owned subsidiary of MCI, and MCI shall cause INetCo not to engage in any activities or incur any liabilities except as contemplated by this Agreement.

2.2 Contribution of Assets. In every case subject to Section 2.8(A), as of the Transfer Time, MCI shall contribute to INetCo, in exchange for the assumption by INetCo of the Assumed Liabilities, all of MCI's right, title and interest in, to and under the following assets and properties of MCI dedicated to the conduct of the iMCI Business, wherever located (including in

the possession of vendors or other third parties or elsewhere), to the extent such assets shall exist at the Transfer Time (collectively, together with any assets that have been or will be transferred by MCI or any of its Affiliates to INetCo after the Transfer Time (effective, in each case, at the time of such transfer), the "Transferred Assets"):

(A) Internet Backbone. (i) All routers, ATM switches, ports and modems and related spares, as identified in Schedule 2.2(A)(i); (ii) all domain name servers, Network News servers, Mbone servers, ISICS performance monitoring servers, Internet Web-hosting servers used for MCI's retail Internet Web-hosting customers, servers for electronic mail used for Internet Customers, MCI owned servers utilized for Real Broadcast Network Services, and servers for the MCI Internet Dial-up network (including CampusMCI), including domain name servers and authentication servers supporting the dial network, each as identified in Schedule 2.2(A)(i); (iii) related connectivity components for the elements described in (i) and (ii), including racks to support the equipment and cables between such elements; and (iv) equipment upgrades scheduled through December 31, 1998 to be implemented under the BIPP 5.0 architecture, as specified in Schedule 2.2(A)(iv) ((i)-(iv), collectively, the "Internet Backbone"). The equipment upgrades referred to in clause (iv), to the extent not completed prior to the Effective Time, will be provided by MCI to INetCo without charge after the Effective Time. In connection with the purchase from Cisco Systems Inc. ("Cisco") of assets forming a part of these upgrades, MCI has agreed to surrender to Cisco certain equipment so identified on Schedule 2.2(A)(iv) (which is being replaced by the equipment upgrades identified in (iv)).

(B) Internet Contracts. All Contracts (or portion thereof in the case of clause (v) below) between MCI and its Internet Customers to provide Internet Services in effect at the Transfer Time, as follows: (i) Contracts, other than Integrated Contracts, to provide dedicated Internet access ("Dedicated Internet Access") to (x) customers whose business primarily is selling Internet access ("ISPs"), including contracts with International Direct Connect ("IDC") customers (cross-border Internet service to non-US and non-Canadian customers), all of which Contracts as in effect on the date indicated thereon being listed in Schedule 2.2(B)(i)(x), and (y) retail customers (primarily for use by such customers and not for resale) ("Retail Dedicated Internet Access"), all of which Contracts as in effect on the date indicated thereon being listed in Schedule 2.2(B)(i)(y), (ii) Contracts ("Internet Dial-up Contracts") for the provision of dial-up Internet access ("Internet Dial-up"), (iii) Contracts to provide Internet Web-hosting ("Internet Web-hosting"), all of which Contracts as in effect on the date indicated thereon being listed in Schedule 2.2(B)(iii), (iv) Contracts to provide Internet managed firewall services ("Internet Firewall Services"), all of which Contracts as in effect on the date indicated thereon being listed in Schedule 2.2(B)(iv), (v) the portions of all Integrated Contracts which relate to the provision of Internet Services, including all rights and benefits under such Contracts relating to Internet Services, all of which Contracts as in effect on the date hereof being listed in Schedule 2.2(B)(v), ((i)-(v), collectively, the "Internet Contracts") and (vi) the Real Broadcast Network Contract.

(C) Internet Customer Lists. Customer lists for the Internet Customers, which lists as of the date indicated thereon are set forth in Schedule 2.2(C), and applicable historical data for Internet Services provided to Internet Customers, subject to applicable confidentiality restrictions, if any, contained in Nonassigned Contracts.

(D) Internet Permits. All Licenses held by MCI or an Affiliate necessary for the conduct of the iMCI Business as it is conducted as of the Transfer Time ("Internet Permits"), all of which Licenses as in effect on the date hereof being listed on Schedule 2.2(D).

(E) Internet Protocol Addresses. Subject to the consent of the Americas Registry for Internet Numbers, all Internet Protocol addresses, autonomous system numbers and numbering schemes for network operations used and to be used in the iMCI Business (other than those used by MCI or an Affiliate solely for internal purposes or to be transferred to Concert Communications Company), including those reasonably required for projected growth in accordance with Schedule 4.20 (the "Internet Protocol Addresses").

(F) Maintenance Agreements and Warranties. (i) Maintenance agreements and manufacturers' warranties for the Internet Backbone assets in effect at the Transfer Time, all of which agreements and warranties as in effect on the date hereof being listed on Schedule 2.2(F)(i), and (ii) the portions of all Integrated Maintenance Agreements which relate to Internet Backbone assets, including all rights and benefits under such agreements and warranties relating thereto, all of which agreements and warranties as in effect on the date hereof being listed in Schedule 2.2(F)(ii) ((i) and (ii) collectively, the "Maintenance Agreements").

(G) Manufacturers' Software Licenses. All licenses for manufacturers' software necessary to operate the Transferred Assets which comprise the Internet Backbone (the "Software Licenses").

(H) Peering Arrangements. Peering arrangements related to the iMCI Business in effect at the Transfer Time (the "Peering Arrangements"), all of which agreements as in effect on the date hereof being listed in Schedule 2.2(H) hereto.

(I) Fulfillment Contracts. Distribution and fulfillment Contracts dedicated to Internet Dial-up in effect at the Transfer Time (the "Fulfillment Contracts"), all of which Contracts as in effect on the date hereof being listed in Schedule 2.2(I).

(J) Administrative Assets. All administrative assets, as identified in Schedule 2.2(J), associated with the Transferred Employees. Such assets shall not include office furniture or other administrative assets whose use is shared with Persons not being transferred to INetCo.

(K) Call Center Assets. Assets located in the Sacramento call center facility located at 2495 Natomas Park Drive, Suite 100, 180 Natomas Corporate Center, Sacramento, California 95833, as identified in Schedule 2.2(K).

(L) Call Center Lease. The lease for the Sacramento call center, attached hereto as Annex 2.2(L), and any associated Contracts for the operations of such call center facility in effect as of the Transfer Time (collectively, the "Sacramento Contracts"), all of which Contracts as in effect on the date hereof being listed in Schedule 2.2(L).

(M) Prepaid Amounts. Any prepaid amounts for Internet Services and Real Broadcast Network Services to be rendered subsequent to the Transfer Time and all unapplied deposits for such services (which prepaid amounts and unapplied deposits shall be deposited within three (3) Business Days after the Closing Date by MCI into an INetCo bank account designated by Purchaser).

(N) Equipment Leases. The rights of MCI or its Affiliates under each lease listed in Schedule 2.5(A)(iii) (the "Equipment Leases").

(O) Books and Records. All books of account, records, files and invoices used in connection with the iMCI Business, including equipment maintenance data, accounting records, inventory records, sales and sample sales promotional data, sample advertising materials, cost and pricing information, supplier lists, business plans, reference catalogues and any other records and data used in connection with the iMCI Business; provided, that immaterial failures to provide such books and records shall not be a breach of this Section 2.2(O) and, provided further, that to the extent such books and records contain information not relating to the iMCI Business, such information may be excised therefrom.

(P) Additional Assets. All assets or contracts identified on Schedule 2.2(P) and all assets acquired in the ordinary course of conduct of the iMCI Business after the date hereof through the Transfer Time, which would have been transferred under paragraphs (A)-(O) if held on the date hereof.

To the extent any Integrated Contract or Integrated Maintenance Agreement inures to the benefit of the iMCI Business and to the business to be retained by MCI, such Integrated Contract or Integrated Maintenance Agreement shall, subject to Section 2.8, to the extent possible, be assigned in part so that each of INetCo and MCI shall be entitled to the rights and benefits inuring to its business under such Integrated Contract or Integrated Maintenance Agreement. The parties shall cooperate to ensure that all discounts, promotions, credit and other special pricing provisions under the Integrated Contracts will be allocated pro rata on the basis of revenues between the Internet Services and the other services and/or products being retained by MCI, unless such discounts, promotions, credits or other special pricing provisions are specifically allocated to one or more particular services or products pursuant to the terms of the Integrated Contract, in which case the allocation shall be made accordingly.

2.3 Instruments of Conveyance. To effectuate the sales, assignments, transfers and conveyances contemplated by this Article 2, MCI will execute and deliver, and will cause INetCo to execute and deliver, at the Transfer Time, a bill of sale in the form attached hereto as Exhibit 2.3.A, an assignment and assumption of lease in the form attached hereto as Exhibit 2.3.B, an assignment of contracts in the form attached hereto as Exhibit 2.3.C, a contingent assignment and assumption of contracts in the form attached hereto as Exhibit 2.3.D, and an assumption agreement in the form attached hereto as Exhibit 2.3.E. to vest in or confirm to INetCo full, complete and good marketable title to all of the Transferred Assets which are owned, and a valid assignment of all Contracts and Licenses assigned or otherwise transferred to INetCo pursuant to this Article 2.

2.4 Assets and Liabilities After the Transfer Time. (A) Transferred Assets shall be deemed to include all assets acquired by MCI or an Affiliate from the Transfer Time through the Effective Time which would have been transferred under Section 2.2 if held by MCI at the Transfer Time and shall be transferred to INetCo consistent with the provisions hereof. Transferred Assets shall not include assets used up or disposed of in the ordinary course of operating the iMCI Business from the Transfer Time through the Effective Time.

(B) MCI shall cause INetCo to discharge any Assumed Liability or portion thereof which is due to be performed or discharged, in whole or in part, prior to the Effective Time.

2.5 Assumption of Liabilities. (A) In connection with the contribution of the Transferred Assets by MCI to INetCo as of the Transfer Time, MCI will cause INetCo to assume and agree to pay, perform, satisfy and discharge when due the following liabilities and obligations of the iMCI Business as the same shall exist at the Transfer Time (the "Assumed Liabilities"):

(i) The obligation to surrender to Cisco the assets identified for surrender on Schedule 2.2(A)(iv).

(ii) The performance of all of MCI's obligations to be performed from and after the Transfer Time under all Assigned Contracts.

(iii) The obligations of MCI under each lease listed in Schedule 2.5(A)(iii).

(iv) The obligations of MCI and its Affiliates, not to exceed \$3,000,000 in the aggregate, to pay to Sales Employees cash commissions under bonus or compensation plans in effect on or prior to the Closing Date based upon revenues recognized from the sale or provision of Internet Services after the Closing Date, in accordance with the terms set forth in Schedule 2.5(A)(iv).

(v) Costs and other liabilities incurred since the formation of INetCo in the operation of the iMCI Business in the ordinary course of business, which will not in the aggregate exceed \$100,000.

(B) For the avoidance of doubt, and notwithstanding anything contained herein to the contrary, INetCo expressly shall not assume any liabilities or obligations of MCI, WorldCom or any of their respective Affiliates:

(i) for Taxes arising from or attributable to any period ending on or prior to the Effective Time or, except as expressly provided in Article 8, for any Taxes arising in connection with the transactions contemplated by this Agreement;

(ii) for product liabilities, workmen's compensation, and automobile and similar liabilities for personal injuries, in each case to the extent such liability arises from services rendered or other activities undertaken prior to the Effective Time;

(iii) for any liability or obligation arising out of litigation or administrative proceedings existing on or prior to the Effective Time or based on facts existing on or prior to the Effective Time;

(iv) except to the extent contemplated by Section 2.5(A)(iv), for any liability or obligation of MCI directly or indirectly arising out of or relating to any medical, dental, life, accidental death or dismemberment or other benefit plans of MCI prior to or after the Effective Time;

(v) for any liability or obligation for claims with respect to services performed by the iMCI Business prior to the Effective Time; or

(vi) for any other liability or obligation with respect to any event or occurrence prior to the Effective Time, other than the Assumed Liabilities.

2.6 Excluded Assets. For the avoidance of doubt, notwithstanding anything contained herein to the contrary, the Transferred Assets shall not include any of the following:

(A) Contracts with customers for services other than Internet Services or Real Broadcast Network Services.

(B) Without prejudice to Section 2.7, all accounts receivable and amounts received under Internet Contracts for Internet Services rendered prior to the Transfer Time.

(C) Contracts whose terms have expired or otherwise terminated in the ordinary course of business before the Transfer Time.

(D) Contracts which by their terms or by operation of law are not assignable as of the Transfer Time, subject to Section 2.8.

(E) Arrangements by MCI for the provision of Internet Services without charge to certain charitable and other not-for-profit organizations (the "Beneficiaries").

including secondary schools, universities and libraries, which Beneficiaries do not exceed thirty-five (35) in number. MCI represents and warrants that if such Internet Services for Beneficiaries were provided at prevailing market rates, the annualized revenue for such Internet Services for 1998 are not forecasted to, and in 1997, did not, exceed \$500,000.

(F) Any and all properties, contracts, rights and other assets of MCI not specifically identified in Section 2.2 above.

2.7 Accounting. All activity of the iMCI Business after the Effective Time shall be for the account of Purchaser, and all activity prior thereto shall be for the account of MCI. Within forty-five (45) days following the Closing Date, MCI shall deliver to Purchaser a statement showing the cash receipts and disbursements by MCI relating to the iMCI Business after the Effective Time for the account of Purchaser. The difference between receipts and disbursements (other than disbursements with respect to Apportioned Obligations) shall be paid by MCI to Purchaser (if receipts exceed disbursements) or by Purchaser to MCI (if disbursements exceed receipts) in immediately available funds within ten (10) Business Days following the delivery of such statement. In addition, to the extent that after the Effective Time (i) Purchaser or INetCo receives any payment that is for the account of MCI, Purchaser shall promptly deliver, or shall cause INetCo promptly to deliver, such amount to MCI and (ii) MCI receives any payment that is for the account of INetCo, MCI shall promptly deliver such amount to INetCo.

2.8 Nonassignability. (A) Notwithstanding anything contained in this Agreement or any agreement executed in connection herewith to the contrary, neither this Agreement nor any agreement executed in connection herewith shall constitute an assignment, partial assignment, transfer, sublicense or sublease of, or an agreement to assign, partially assign, transfer, sublicense or sublease, any right, title or interest in, to or under any Contract or License, or any claim or right to any benefit arising thereunder or resulting therefrom, if an attempted assignment, partial assignment, transfer, sublicense or sublease thereof, without the consent or waiver of a third party thereto (including a Governmental or Regulatory Authority), would constitute a breach thereof or a violation of any Law or Order or in any way adversely affect the rights of INetCo, Purchaser or MCI thereunder, and no such assignment, partial assignment, transfer, sublicense or sublease shall be made, unless and until such consent or waiver has been duly obtained or such assignment, partial assignment, transfer, sublicense or sublease has otherwise become lawful.

(B) Certain Contracts. If any Maintenance Agreements, Software Licenses, Peering Arrangements, Fulfillment Contracts or Sacramento Contracts are not assignable without consent, MCI shall use its reasonable best efforts to obtain such consent as promptly as possible. A list of such Contracts as of the date hereof is set forth in Schedule 2.8(B). Any approved out-of-pocket costs or fees incurred by MCI in obtaining the consent for the assignment of Maintenance Agreements and Software Licenses shall be Purchaser's responsibility, and MCI shall have no obligation to incur any such out-of-pocket costs or fees that are not approved by Purchaser.



(C) Internet Contracts. (1) For those Internet Contracts that cannot be assigned without the Internet Customer's consent, MCI and WorldCom will use their best efforts to obtain the Internet Customer's consent and cause such Contracts to be assigned to INetCo within ninety (90) days after the Closing Date, and thereafter the parties shall reasonably cooperate to obtain all such consents that have not been obtained by such time. Purchaser shall use its best efforts to assist MCI's and WorldCom's efforts in this regard, as requested by MCI or WorldCom; provided, however, that the foregoing shall not apply to Government Contracts, the assignment of which shall be obtained by Purchaser. To the extent any such required consents are not obtained by the Closing, the related Internet Contracts (including Government Contracts) will not be assigned to INetCo at or prior to the Effective Time and the provisions of clause (3) below shall apply to such Contracts (the "Nonassigned Contracts").

(2) MCI and WorldCom will take all necessary steps to cause Internet Contracts representing at least ninety-five percent (95%) of Base Revenue (as defined below) for the combined Retail Dedicated Internet Access and Internet Web-hosting services customers, and at least ninety-nine percent (99%) of Base Revenue for ISP, Internet Firewall Services and Internet Dial-up business to be assigned to INetCo within ninety (90) days after the Closing Date. The percent assigned shall be measured based upon the Internet Service revenue (the "Base Revenue") for the applicable service(s) at the Closing Date for the calendar month ending immediately prior to the Closing Date. The test shall be satisfied if Internet Contracts assigned to INetCo by the end of ninety (90) days after the Closing Date represent the applicable percent of Base Revenue, without including in the calculation revenues of Internet Customers who have, prior to assignment, terminated their Contracts or permitted them to expire, it being understood that MCI shall conduct business with its Internet Customers in the ordinary course. For purposes of this Section 2.8(C)(2) and Section 2.11, "revenue" for any calendar month shall mean the sum of all amounts invoiced with a date in such calendar month to any Internet Customer for covered Internet Services rendered to such customer during the applicable billing period (which shall not exceed 31 days); such revenue shall be determined in accordance with GAAP on a basis consistent with the basis on which MCIC's audited statement of income for calendar year 1997 was prepared, but shall exclude (i) any amounts billed to Internet Customers covering more than the applicable billing period, (ii) amounts billed for deposits or advance payments and (iii) amounts billed for hardware or software. The "applicable billing period" shall mean (x) with respect to Internet Services which are pre-billed, the billing period immediately following the invoice date, and (y) with respect to all other Internet Services, the billing period immediately preceding the invoice date. For purposes of this Section 2.8(C)(2), Government Contracts shall be deemed to be assigned to INetCo as of the Transfer Time.

(3) The following provisions shall apply with respect to the Nonassigned Contracts from and after the Effective Time:

(a) Purchaser will cause INetCo to perform all of MCI's obligations under the Nonassigned Contracts with respect to Internet Services to be provided after the Effective Time and in accordance with the Wholesale Internet Services Agreement.

(b) MCI will leave one hundred percent (100%) of the Internet Customer's Internet traffic under such Nonassigned Contracts on the Internet Backbone and will collect and deliver to INetCo, in accordance with the procedures set out in the Wholesale Internet Services Agreement, all amounts received in respect of the Nonassigned Contracts with respect to Internet Services provided after the Effective Time.

(c) In each case without the prior consent of Purchaser, MCI will not (i) consent to any amendment or modification of, (ii) waive any of its rights under, or (iii) other than in the normal course, provide any credits or other benefits (including enhanced services) to any Internet Customer relating to Internet Services under, any Nonassigned Contract. MCI will take any such action referred to in the immediately preceding sentence at Purchaser's or INetCo's direction.

(d) Purchaser shall reimburse MCI and its Affiliates for all their reasonable out-of-pocket, direct costs and expenses incurred by them in connection with the Government Contracts prior to assignment thereof to INetCo.

(4) Purchaser will have the right to appoint an independent auditor, at MCI's expense, not to exceed Two Hundred Fifty Thousand Dollars (\$250,000), to review relevant documents and records of MCI and, if necessary, WorldCom relating to compliance with the terms of the Internet Contract transfer provisions of this Agreement. Each of MCI and, if necessary, WorldCom shall provide such independent auditor with reasonable access to (i) documents, including Internet Customer information, billing records, and any other documents or information relating to compliance with the terms of the Internet Contract transfer provisions of this Agreement, and (ii) relevant personnel, and shall cooperate in all other respects with Purchaser and such independent auditor to permit such independent auditor to conduct its review.

(D) For the avoidance of doubt, any Contracts which are assigned to INetCo after the Closing pursuant to this Section 2.8 shall be deemed to be Transferred Assets as of the date of assignment.

2.9 Purchase and Sale of Shares. At the Closing, but effective as of the Effective Time, MCI agrees to sell, convey and deliver to Purchaser, and Purchaser agrees to purchase, acquire and accept from MCI, on the terms and subject to the conditions set forth in this Agreement, all of MCI's right, title and interest in and to the Shares, free and clear of any Liens whatsoever.

2.10 Purchase Price. The aggregate purchase price (the "Purchase Price") for the Shares will be One Billion Seven Hundred Fifty Million Dollars (\$1,750,000,000) subject to adjustment as set forth in Section 2.11.

2.11 Post-Closing Adjustment. (A) The Purchase Price will be subject to adjustment pursuant to the procedure set forth in this Section 2.11 (the "Post-Closing Adjustment") as follows if, for the calendar month ending immediately prior to the Closing Date, the amount of revenue (as defined in Section 2.8(C)(2)) from all Internet Contracts, including both Assigned Contracts and Nonassigned Contracts (the "Transferred Amount"), differs from the amount of such revenue for such month from all Internet Contracts projected on Schedule 2.11(A) (the "Projected Amount").

(1) If the Transferred Amount is less than the Projected Amount, the Purchase Price will be reduced by 43.2 times the difference between the Transferred Amount and the Projected Amount.

(2) If the Transferred Amount exceeds the Projected Amount, the Purchase Price will be increased by 43.2 times the difference between the Transferred Amount and the Projected Amount, but in no event will such increase be by more than Eighty-Seven Million Five Hundred Thousand Dollars (\$87,500,000).

(B) Closing Statement; Review. As promptly as practicable after the Closing (but in any event no later than sixty (60) days after the Closing Date), MCI will prepare and deliver to Purchaser a statement which shall set forth, by customer, the Transferred Amount for the calendar month immediately prior to the Closing Date (the "Closing Statement"). Such Transferred Amount shall be determined in accordance with GAAP on a basis consistent with the basis on which MCIC's audited statement of income for the calendar year 1997 was prepared and shall present fairly and accurately the Transferred Amount for the applicable period. Purchaser and its Representatives shall have the right to review the Closing Statement and all work papers and procedures used to prepare the Closing Statement and shall have the right to perform any reasonable procedures necessary to verify the accuracy thereof.

(C) Resolution of Disputes. In the event Purchaser disputes the correctness of the Closing Statement delivered pursuant to Section 2.11(B), Purchaser shall notify MCI of its objections within sixty (60) days after receipt thereof and shall set forth, in reasonable detail, the reasons for Purchaser's objections. If Purchaser does not deliver a notice of objections within such sixty (60) day period or if Purchaser delivers a notice of acceptance during such period, Purchaser shall be deemed to have accepted the Closing Statement. If Purchaser delivers to MCI a notice of objections within such sixty (60) day period, Purchaser and MCI shall endeavor in good faith to resolve any disputed items within sixty (60) days after MCI's receipt of Purchaser's objections. If Purchaser and MCI are unable to resolve all disputed items within such sixty (60) day period, Purchaser and MCI shall appoint Deloitte & Touche or if Deloitte & Touche is unavailable or

unwilling to so act, select another internationally known independent accounting firm (Deloitte & Touche or such other firm, the "Independent Accounting Firm") to resolve the items remaining in dispute, and the determination of the Independent Accounting Firm in respect of the correctness of each item remaining in dispute shall be conclusive and binding on Purchaser and MCI. After resolving the issues remaining in dispute, the Independent Accounting Firm shall prepare and deliver to each of Purchaser and MCI a final statement of the Transferred Amount and Post-Closing Adjustment. The Transferred Amount and Post-Closing Adjustment as finally determined pursuant to this Section 2.11(C) (whether by failure of Purchaser to deliver a notice of objection, by acceptance by Purchaser, by agreement of the parties or by final determination of the Independent Accounting Firm in accordance with the previous sentence) shall be the Transferred Amount and Post-Closing Adjustment for purposes of Section 2.11(A).

(D) If there is a Post-Closing Adjustment pursuant to this Section 2.11, the party responsible for the payment of such adjustment shall pay to the receiving party in cash or by wire transfer of immediately available funds the amount due. The Post-Closing Adjustment shall bear interest from the date following delivery of the Closing Statement to the date of payment at the Federal Funds Rate. In either case, such payment shall be made within five (5) Business Days of the date that the Post-Closing Adjustment is finally determined pursuant to paragraph (C) of this Section 2.11.

(E) Each party shall bear its own expenses in connection with the implementation of this Section 2.11, except that the fees and expenses of any Independent Accounting Firm selected in accordance with Section 2.11(C) in respect of services rendered in connection with this Section 2.11 shall be borne equally by MCI and Purchaser; provided, however, that if the Independent Accounting Firm accepts less than fifty percent (50%) of the dollar value of Purchaser's objections, Purchaser shall bear all expenses of the Independent Accounting Firm, and that if the Independent Accounting Firm accepts more than fifty percent (50%) of the dollar value of Purchaser's objections, MCI shall bear all expenses of the Independent Accounting Firm.

2.12 Closing. (A) The purchase and sale (the "Closing") provided for in this Agreement will take place at the offices of MCI at 1133 19th St., N.W., Washington, D.C. 20036, at 10:00 a.m. (local time), on such Business Day as MCI designates in the notice discussed below. Upon the satisfaction of all conditions precedent set forth in Article 9, MCI may immediately designate a Closing Date, which shall not be later than the closing of the merger of MCIC and WorldCom, and shall advise the other parties to this Agreement of the Closing Date not later than 6:00 p.m. (Washington, D.C. time) on the day prior to the designated Closing Date; provided, however, that C&W and Purchaser shall use their best efforts to complete the Closing on such shorter notice as MCI shall provide.

(B) All proceedings to be taken and all documents to be executed and delivered by the parties in connection with the consummation of the transactions contemplated hereby shall be reasonably satisfactory in form and substance to the parties and their counsel. Except as otherwise provided herein or in any Ancillary Agreement,

all proceedings to be taken and all documents to be executed and delivered by all parties at the Closing shall be deemed to have been taken and executed simultaneously at the Effective Time, and no proceedings shall be deemed taken nor any documents executed or delivered until all have been taken, executed and delivered.

2.13 Deliveries by WorldCom. At the Closing, WorldCom shall, or shall cause its Affiliates to, deliver to Purchaser (unless previously delivered) the following:

- (A) a certificate of existence of WorldCom under its jurisdiction of incorporation;
- (B) a certificate of the Secretary of WorldCom certifying the name and signature of the officer of WorldCom who signed this Agreement;
- (C) a certificate of a senior officer or director of WorldCom certifying as to the accuracy of the representations and warranties of WorldCom contained herein as of the Effective Time or stating the extent to which any such representation or warranty is not true and correct as of the Effective Time; and
- (D) all other documents and instruments reasonably required to be delivered by WorldCom pursuant to this Agreement.

2.14 Deliveries by MCI. At the Closing MCI shall, or shall cause its Affiliates to, deliver to Purchaser (unless previously delivered) the following:

- (A) a certificate representing the Shares accompanied by stock powers duly endorsed in blank or accompanied by duly executed instruments of transfer;
- (B) a cross-receipt duly executed by MCI acknowledging receipt of the Purchase Price;
- (C) a copy of the certificate of formation of INetCo, certified by the Secretary of State of the State of Delaware;
- (D) certificates evidencing the good standing of MCI and INetCo under their respective jurisdictions of incorporation or formation;
- (E) copies of the resolutions adopted by the board of directors of MCI authorizing the execution and delivery by MCI of this Agreement and the consummation of the transactions contemplated hereby, certified by the Secretary or an Assistant Secretary of MCI as having been duly and validly adopted and as being in full force and effect;
- (F) a certificate of the Secretary or an Assistant Secretary of MCI certifying the names and signatures of the officers of MCI authorized to sign this Agreement and the other documents to be delivered hereunder;

(G) a certificate of a senior officer or director of MCI certifying as to the accuracy of the representations and warranties of MCI contained herein as of the Effective Time or stating the extent to which any such representation or warranty is not true and correct as of the Effective Time; and

(H) all other documents and instruments reasonably required to be delivered by MCI pursuant to this Agreement.

**2.15 Deliveries by Purchaser and C&W.** At the Closing, Purchaser and C&W shall, or shall cause their Affiliates to, deliver to MCI (unless previously delivered) the following:

(A) the Purchase Price, by wire transfer of immediately available funds to an account or accounts designated by MCI in writing at least three (3) Business Days prior to the Closing Date;

(B) a cross-receipt duly executed by Purchaser acknowledging receipt of the Shares;

(C) copies of the resolutions adopted by the board of directors of Purchaser and C&W authorizing the execution and delivery by Purchaser and C&W of this Agreement and the consummation of the transactions contemplated hereby, certified by the Secretary or an Assistant Secretary of Purchaser and C&W as having been duly and validly adopted and as being in full force and effect;

(D) a certificate of the Secretary or an Assistant Secretary of Purchaser and C&W certifying the names and signatures of the officers of Purchaser and C&W authorized to sign this Agreement and the other documents to be delivered hereunder;

(E) a certificate of a senior officer or director of Purchaser and C&W certifying as to the accuracy of the representations and warranties of Purchaser and C&W contained herein as of the Effective Time or stating the extent to which any such representation or warranty is not true and correct as of the Effective Time; and

(F) all other documents and instruments reasonably required to be delivered by Purchaser and C&W pursuant to this Agreement.

### **ARTICLE 3 – REPRESENTATIONS AND WARRANTIES OF WORLDCom**

WorldCom represents and warrants to MCI, Purchaser and C&W as follows:

**3.1 Organization and Good Standing of WorldCom.** WorldCom is a corporation duly organized, validly existing and in good standing under the Laws of its jurisdiction of incorporation and has all requisite corporate power and authority to conduct its business as currently conducted, to own or use its properties and assets, to execute and deliver this

Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby.

3.2 Authority. The execution and delivery by WorldCom of this Agreement, and the consummation of the transactions contemplated hereby, and the performance by it of its obligations hereunder, have been duly and validly authorized by all requisite action on the part of WorldCom. This Agreement has been duly and validly executed and delivered by WorldCom and constitutes a legal, valid and binding obligation enforceable against WorldCom in accordance with its terms, except as the same may be limited by insolvency, bankruptcy, reorganization or other Laws relating to or affecting the enforcement of creditors' rights generally or by general equitable principles.

3.3 No Conflicts. Neither the execution and delivery by WorldCom of this Agreement nor the performance by WorldCom of its obligations under this Agreement, nor the consummation of the transactions contemplated hereby will:

(A) conflict with or result in a breach of any of the provisions of WorldCom's Organizational Documents;

(B) result in the breach of any term or provision of, or constitute a default (or give rise to any right of termination, cancellation or acceleration) under, or result in the creation or imposition of any Lien upon any part of the Transferred Assets pursuant to, any of the terms, conditions or provisions of any note, mortgage, other evidence of indebtedness, guarantee, License, agreement, lease or other Contract or instrument or obligation to which WorldCom is a party;

(C) violate any Order that is binding on WorldCom or the assets, property or business of WorldCom; or

(D) constitute a violation of Law.

3.4 Brokers or Finders. Neither WorldCom nor its agents have incurred any obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payment in connection with the transactions contemplated by this Agreement.

3.5 Compliance with Term Sheet. Since the Acceptance Date, WorldCom has performed its obligations under the Term Sheet required to be performed by it on or prior to the date hereof.

#### **ARTICLE 4 – REPRESENTATIONS AND WARRANTIES OF MCI AND INETCO**

MCI (on its own behalf and, as sole interest holder of INetCo, on behalf of INetCo) represents and warrants to WorldCom, Purchaser and C&W as follows:

4.1 Organization and Good Standing of MCI. MCI is a corporation duly organized, validly existing and in good standing under the Laws of its jurisdiction of incorporation and has all requisite corporate power and authority to conduct its business as currently conducted, to own or use its properties and assets, to execute and deliver this Agreement and the Ancillary Agreements, to perform its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby.

4.2 Authority. The execution and delivery by MCI of this Agreement and the Ancillary Agreements, and the consummation of the transactions contemplated hereby and thereby, and the performance by it of its obligations hereunder and thereunder, have been duly and validly authorized by all requisite action on the part of MCI. This Agreement and the Ancillary Agreements have been duly and validly executed and delivered by MCI and constitute legal, valid and binding obligations enforceable against MCI in accordance with their terms, except as the same may be limited by insolvency, bankruptcy, reorganization or other Laws relating to or affecting the enforcement of creditors' rights generally or by general equitable principles.

4.3 Organization and Good Standing of INetCo. At the Effective Time: (A) INetCo will be a limited liability company duly organized, validly existing, and in good standing under the Laws of its jurisdiction of formation, and will have all requisite power and authority to conduct its business as proposed to be conducted and to own or use the properties and assets that it purports to own or lease and to perform its obligations hereunder and under the Ancillary Agreements; (B) INetCo shall not have elected to be treated as a corporation for U.S. Tax purposes; (C) the Transferred Assets shall not include the stock (or any other equity interests) of a subsidiary of MCI that is treated as a corporation for U.S. federal income Tax purposes; and (D) INetCo shall not have conducted any activities other than in connection with the organization of INetCo, the operation of the iMCI Business in the ordinary course and the consummation of the transactions contemplated hereby.

4.4 Capitalization. At the Effective Time, (i) the authorized limited liability company interests of INetCo will consist of a single membership interest, which will be issued and outstanding and constitute the Shares; (ii) MCI will be the record and beneficial owner and holder of the Shares, free and clear of all Liens; (iii) all of the outstanding equity interests of INetCo will have been duly authorized and validly issued and will be fully paid and nonassessable; (iv) other than pursuant to this Agreement, there will be no Contracts or arrangements relating to the issuance, sale or transfer of any equity interests or other interests of INetCo; (v) none of the outstanding equity interests or other interests of INetCo will have been issued in violation of (A) the Securities Act or any other Law, or (B) the preemptive rights of any present or past stockholder of MCI or any other Person; and (vi) INetCo will not own, nor have any Contract to acquire, any equity securities or other securities of any Person or any direct or indirect equity or ownership interest in any other business.

4.5 Title to Shares. At the Effective Time, (i) MCI will own beneficially and of record the Shares, free and clear of any Liens; (ii) the Shares will not be subject to any restrictions on transferability other than those imposed by the Securities Act and applicable state



securities Laws; and (iii) other than this Agreement, there will be no voting trusts, stockholder agreements or other agreements or understandings in effect with respect to the voting or transfer of any of the Shares.

4.6 No Conflicts. Neither the execution and delivery by MCI of this Agreement or the Ancillary Agreements nor the performance by MCI of its obligations hereunder or thereunder, nor the consummation of the transactions contemplated hereby or thereby will:

(A) conflict with or result in a breach of any of the provisions of MCI's or INetCo's Organizational Documents;

(B) result in the breach of any term or provision of, or constitute a default (or give rise to any right of termination, cancellation or acceleration) under, or result in the creation or imposition of any Lien upon any part of the Transferred Assets pursuant to, any of the terms, conditions or provisions of any note, mortgage, other evidence of indebtedness, guarantee, License, agreement, lease or other Contract or instrument or obligation to which MCI or INetCo is a party or the Transferred Assets may be bound;

(C) violate any Order that is binding on MCI or INetCo or the assets, property or business of MCI or INetCo (including the Transferred Assets); or

(D) constitute a violation of Law.

4.7 Consents and Approvals. Except for approvals of the assignment of the Internet Contracts, no consent, approval or action of, filing or registration with or notice to any Governmental or Regulatory Authority or any other Person on the part of MCI is required in connection with the execution, delivery and performance of this Agreement or the Ancillary Agreements or the consummation of the transactions contemplated hereby or thereby, except (A) where the failure to obtain any such consent, approval or action, to make any such filing or to give any such notice could not reasonably be expected to materially adversely affect the ability of MCI to consummate the transactions contemplated by this Agreement or the Ancillary Agreements or to perform its obligations hereunder or thereunder, and (B) those that become applicable as a result of (i) the identity or the legal or regulatory status of C&W or Purchaser or any of its Affiliates, or (ii) any acts or omissions by, or facts pertaining to, C&W or Purchaser or any of its Affiliates. A list of Internet Contracts, including portions of Integrated Contracts relating to Internet Services, which, to MCI's knowledge as of the date hereof, may not be assigned without consent of the Internet Customer is set forth in Schedule 4.7.

4.8 Title to Properties; Liens. MCI or an Affiliate has, as of the date hereof, and INetCo shall have, at the Effective Time, good and marketable title to, or if applicable a valid leasehold interest in, the Transferred Assets, free of any liabilities (other than the Assumed Liabilities) or Liens, other than Liens (i) for current Taxes not yet due, or (ii) for Taxes that are being contested in good faith. The Liens to which any of the Transferred Assets are subject do not, in the aggregate, interfere in any material respect with, or impose a material burden on, the Transferred Assets or the operation of the iMCI Business.

4.9 INetCo Divestiture Overview. The information contained in the INetCo Divestiture Overview is true and accurate in all material respects, except that the financial results of operations and projections are MCI's good faith estimates but are not necessarily reflective of the costs Purchaser may incur.

4.10 Financial Materials. The revenue and cost estimates and revenue and cost projections, and the pro forma income statement, and all other financial information set forth in the INetCo Divestiture Overview and the Port Inventory Report and Circuit Profile delivered to Purchaser on July 1, 1998 are accurate in all material respects with regard to current costs above the gross margin line contained therein, but are not necessarily reflective of the costs Purchaser may incur. With respect to costs below the gross margin line, these figures were compiled to the best of MCI's ability using, when necessary, good faith estimates, but are not necessarily reflective of the costs Purchaser may incur. The foregoing costs are based upon and inclusive of all material costs that MCI believes to be necessary in the operation of the iMCI Business as presented in the INetCo Divestiture Overview.

4.11 Condition and Sufficiency of Assets. (A) The Transferred Assets to be contributed to INetCo, together with the services, systems, support and licenses to be provided to INetCo pursuant to the Services Agreements, the Software License Agreement, the Administrative Space Agreement and any Nonassigned Contracts and Internet Permits represent all of the assets, rights and properties reasonably necessary and sufficient to operate the iMCI Business.

(B) The tangible Transferred Assets are in good working order.

(C) The Transferred Assets, other than the Internet Contracts, are commercially satisfactory for their intended purpose, and, together with the Employees and the services, systems, support and technology to be provided under the Services Agreements, the Software License Agreement and the Administrative Space Agreement or hereunder, are sufficient to operate the iMCI Business in compliance with the performance and service level standards in effect at the Closing Date, but are otherwise transferred "AS IS, WHERE IS".

4.12 Employees. (A) MCI, in its good faith judgment, has identified and listed on Schedule 4.12 all personnel necessary for the operation of the iMCI Business at the performance and service level standards in effect at the Closing Date (the "Employees"), subject to INetCo obtaining the services, systems, support and licenses provided under the Services Agreements or from a third party. Schedule 4.12 contains a complete and accurate list of the names of all the Employees, specifying the date of hire, title or classification and rate of salary, hourly pay and commission or bonus entitlements (if any) for each such individual, as of the date hereof. Each of the Employees is reasonably qualified to perform his or her respective assignment in the iMCI Business.

(B) Since the Acceptance Date, none of MCI, WorldCom or any Affiliate of MCI or WorldCom has offered any Designated Employee a new position other than with

INetCo. Since June 27, 1998, MCI has not initiated transfers of any personnel out of the iMCI Business.

(C) Neither Purchaser nor INetCo shall have any responsibility for obligations to (i) any Employee listed on Schedule 1.1(CC), or (ii) any Designated Employee who does not become a Transferred Employee.

**4.13 Legal Proceedings.** Except as set forth in Schedule 4.13, no Action or Proceeding is pending or, to the knowledge of MCI, threatened by or against MCI or against the iMCI Business (i) with respect to this Agreement or the Ancillary Agreements or any of the transactions contemplated hereby or thereby, or (ii) which could reasonably be expected to delay the consummation of the transactions contemplated hereby or thereby (other than with respect to the proposed merger of MCIC and WorldCom) or have a material adverse effect on MCI's ability to perform its obligations hereunder or thereunder or on the value of the iMCI Business.

**4.14 Liabilities of INetCo.** At the Effective Time, except for Assumed Liabilities and liabilities or obligations under the Ancillary Agreements, INetCo shall have no liabilities or obligations whatsoever (whether direct, indirect, accrued or contingent).

**4.15 Interim Operations and Absence of Certain Changes.** Since June 22, 1998 through the Closing Date, except as otherwise expressly contemplated by this Agreement or consented to by Purchaser in writing:

(A) the business operations of the iMCI Business have been conducted in the ordinary course of business, and no Contract has been entered into with respect to the iMCI Business which restricts or will restrict INetCo's ability to compete in any market or product line; and

(B) neither INetCo nor MCI have:

(1) made any loans, advances or capital contributions to, or investments in, any other Person on behalf of INetCo;

(2) sold or disposed of or created a Lien on any of the material properties or assets of the iMCI Business or INetCo;

(3) terminated, materially amended or waived any material rights under any of the Contracts or Licenses covering any of the Transferred Assets, except in the ordinary course of business;

(4) increased in any manner the compensation of any of the Designated Employees, except for promotions and normal annual salary increases; or

(5) adopted, granted, extended or increased the rate or terms of any bonus, insurance, severance, pension or other employee benefit plan, payment,

consulting commission or similar arrangement made to, for or with any employees of INetCo or third parties for which INetCo would be liable.

4.16 Transferred Assets. The Transferred Assets will include all assets and properties of MCI and any Affiliate of MCI, wherever located (including in the possession of vendors or other third parties or elsewhere), dedicated to the conduct of the iMCI Business as of the Transfer Time.

4.17 Environmental Matters. Neither INetCo nor the Transferred Assets is in material violation of any Environmental Law or any Order or requirement of any court or Governmental or Regulatory Authority to the extent pertaining to health, safety or the environment, nor will there be any conditions, contamination or pollution existing or resulting from the operations or the conduct of the iMCI Business, or possession of any of INetCo's assets or properties by INetCo or others that have given or will give rise to any unsatisfied on-site or off-site response, removal, closure or remedial obligations of INetCo under any Environmental Law.

4.18 Contracts; No Defaults. (A) All of the Internet Contracts, Maintenance Agreements, Equipment Leases, Peering Arrangements, Fulfillment Contracts, Software Licenses and Sacramento Contracts that will constitute Transferred Assets (the "Assigned Contracts") are freely assignable to INetCo (except for limitations on assignment in the Assigned Contracts themselves), do not place on INetCo any conditions restricting Purchaser from competing in the Internet business in the United States and are not subject to any restrictions upon the change of control of INetCo (except for limitations on assignment of the Assigned Contracts themselves).

(B) As of the Effective Time, each Assigned Contract and Nonassigned Contract will be enforceable against the other party thereto in all material respects, there will be no unremedied breaches or defaults which would materially adversely affect such Contracts in the aggregate (except that MCI makes no such representation with respect to the Internet Dial-up Contracts), and, to the best of MCI's knowledge, there will be no event that will likely prevent the Internet Customer under any such Contract from fulfilling its contractual obligations in all material respects.

(C) Schedule 4.18(C), to be delivered at Closing, will contain a true and complete listing of all Internet Contracts, other than Internet Dial-up Contracts, in effect as of the date set forth thereon. MCI will deliver at Closing a list in an electronic format acceptable to Purchaser, which list will contain a true and complete listing of all Internet Dial-up Contracts in effect as of the date of preparation thereof (which date shall be within fourteen (14) days of the Closing Date) and will be deemed to be part of Schedule 4.18(C) for purposes hereof.

(D) None of the Assigned Contracts or Nonassigned Contracts (as at the time of assignment) include any non-compete arrangements or other arrangements that would require INetCo or Purchaser, as assignee, to provide Internet Services under the brand of British Telecom plc or Concert, other than pursuant to existing Contracts with Internet Customers where Purchaser would act as a subdistributor of Concert services.

(E) A majority of the Internet Contracts are substantially in an MCI standard form for such Contract, as in effect from time to time.

4.19 Intellectual Property. (A) MCI makes no representation or warranty whether any intellectual property transferred to or made available for the use of Purchaser, the use of the Transferred Assets by Purchaser or INetCo, or the provision to or by Purchaser of any of the services contemplated hereunder, infringes upon patents, copyrights, trademarks, trade names, service marks, trade secrets or other intellectual property rights of any third party.

(B) MCI disclaims any warranty that the software transferred hereunder or licensed under the Software License Agreement will provide fault free performance in the processing of date and date dependent data (including, but not limited to calculating, comparing, and sequencing operations) for dates after the year 1999.

(C) On or prior to the Closing Date, MCI will have delivered to Purchaser all material documents produced by or for MCI relating to its year 2000 compliance program with respect to (i) the Transferred Assets, (ii) the MCI Licensed Software (as defined in the Software License Agreement) under the Software License Agreement, and (iii) the services to be provided under the Services Agreements.

(D) Except as specifically identified in this Agreement or the Ancillary Agreements, no right or license to any MCI intellectual property, including patents, copyrights, trade secrets or trademarks is granted as part of the purchase and sale of the Shares.

4.20 Internet Capacity. The Internet Backbone will provide sufficient Internet capacity (other than edge routers and modems) to serve the projected Internet growth set forth in Schedule 4.20, measured in terabytes, for the period twenty-four (24) months from the Closing Date, provided that Purchaser utilizes all the facilities made available under the Services Agreements.

4.21 Brokers or Finders. Neither MCI nor its agents have incurred any obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payment in connection with the transactions contemplated by this Agreement.

4.22 Compliance with Term Sheet. Since the Acceptance Date, MCI has performed all its obligations under the Term Sheet required to be performed by it on or prior to the date hereof.

## **ARTICLE 5 - REPRESENTATIONS AND WARRANTIES OF C&W AND PURCHASER**

C&W (on its own behalf and on behalf of Purchaser) represents and warrants to MCI and WorldCom as follows:

5.1 Organization and Good Standing. Purchaser is a Delaware corporation duly organized, validly existing and in good standing under the Laws of its jurisdiction of

incorporation. C&W is a company organized under the laws of England and Wales and is duly organized and validly existing under the laws of its jurisdictions of incorporation. Each of Purchaser and C&W has all requisite corporate power and authority to conduct its business as currently conducted, to own or use its properties and assets, to execute and deliver this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated hereby.

**5.2 Authority.** The execution and delivery by each of C&W and Purchaser of this Agreement, and the consummation of the transactions contemplated hereby, and the performance by it of its obligations hereunder, have been duly and validly authorized by all requisite action on the part of C&W and Purchaser. This Agreement has been duly and validly executed and delivered by each of C&W and Purchaser and constitutes legal, valid and binding obligations enforceable against each of C&W and Purchaser in accordance with its terms, except as the same may be limited by insolvency, bankruptcy, reorganization or other Laws relating to or affecting the enforcement of creditors' rights generally or by general equitable principles.

**5.3 No Conflicts.** Neither the execution and delivery by C&W or Purchaser of this Agreement, nor the performance by C&W or Purchaser of its obligations hereunder, nor the consummation of the transactions contemplated hereby will:

- (A) conflict with or result in a breach of any of the provisions of C&W's or Purchaser's Organizational Documents;
- (B) violate any Order that is binding on C&W or Purchaser or the assets, property or business of C&W or Purchaser; or
- (C) constitute a violation of Law.

**5.4 Consents and Approvals of C&W and Purchaser.** Except as disclosed in Schedule 5.4, no consent, approval or action of, filing or registration with or notice to, any Governmental or Regulatory Authority on the part of C&W or Purchaser is required in connection with the execution, delivery and performance of this Agreement or the consummation of the transactions contemplated hereby, except (A) compliance with any of the applicable requirements of the HSR Act; (B) where the failure to obtain any such consent, approval or action, to make any such filing or to give any such notice could not reasonably be expected to materially adversely affect the ability of Purchaser to consummate the transactions contemplated by this Agreement or to perform its obligations hereunder; or (C) those that become applicable as a result of (i) the identity or the legal or regulatory status of MCI or WorldCom or any of their Affiliates, or (ii) any acts or omissions by, or facts pertaining to, MCI or WorldCom or any of their Affiliates.

**5.5 Legal Proceedings of C&W and Purchaser.** No Action or Proceeding of or before any arbitrator or Governmental or Regulatory Authority is pending or, to the knowledge of C&W or Purchaser, threatened by or against C&W or Purchaser (i) with respect to this Agreement or the Ancillary Agreements or any of the transactions contemplated hereby or thereby, or (ii) which could reasonably be expected to delay the consummation of the transactions contemplated hereby or thereby (other than with respect to the proposed merger of MCIC and WorldCom) or

have a material adverse effect on C&W's or Purchaser's ability to perform its obligations hereunder.

5.6 Investment Intent. Purchaser is acquiring the Shares for its own account and not with a view to their distribution within the meaning of Section 2(11) of the Securities Act.

5.7 Brokers or Finders. Neither Purchaser nor C&W nor their agents have incurred any obligation or liability, contingent or otherwise, for brokerage or finders' fees or agents' commissions or other similar payment in connection with the transactions contemplated by this Agreement.

5.8 Compliance with Term Sheet. Since the Acceptance Date, C&W has performed all its obligations under the Term Sheet required to be performed by it on or prior to the date hereof.

#### **ARTICLE 6 – COVENANTS OF MCI AND WORLDCOM**

6.1 Conduct of Business. From the date hereof to the Closing Date, MCI shall carry on the iMCI Business in the ordinary course of business and consistent with achieving the revenue projections set forth in Schedule 2.11(A), including the commercially reasonable solicitation and retention of Internet Customers and Internet Backbone development, and shall not engage in any transaction or activity, enter into any agreement or make any commitment except in the ordinary course of the iMCI Business. Notwithstanding the foregoing, MCI shall not be prohibited or restricted from taking any action specifically required or permitted by any other provision of this Agreement.

6.2 Investigation by Purchaser. MCI, prior to the Closing Date, will (A) provide Purchaser and its Representatives with reasonable access, upon reasonable prior notice and during normal business hours, to all of the offices, facilities and properties of MCI where the Transferred Assets are located, and to all officers, employees and agents of MCI who have responsibility for the iMCI Business, but only to the extent that such access does not unreasonably interfere with the operations of the iMCI Business, and (B) furnish Purchaser and its Representatives with such additional information and data concerning the iMCI Business as Purchaser or any of its Representatives reasonably may request in connection with such investigation, except to the extent that furnishing any such information or data would violate any Law, Order, Contract or License applicable to MCI or by which any of the Transferred Assets are bound. Without prejudice to each party's obligations under Section 8.11, no investigation by Purchaser of the business and affairs of MCI shall affect or be deemed to modify or waive any representation, warranty, covenant or agreement in this Agreement, or the conditions to Purchaser's obligations to consummate the transactions contemplated by this Agreement. For the purpose of facilitating the above, MCI shall promptly designate individuals, each of whom shall be empowered to receive and act upon such requests, and Purchaser agrees that no communication shall be made by Purchaser or its Representatives with any employee, officer, contractor or agent of MCI, other than in the ordinary course, who has not been so designated in writing without the prior written consent of the designee, which consent shall not unreasonably